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THE WEEKLY OF
BUSINESS AVIATION

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CESSNA OFFICIALS CLAIM STRONG RESPONSE TO LEASE PROGRAM

Cessna Aircraft marketing officials say they have received a very strong response to the company's new turnkey lease program and said the first agreement resulting from it was concluded last week. The program, announced during the National Business Aircraft Association convention in St. Louis last month *(BA, Sept. 27/97)*, permits operators to obtain a new Conquest turboprop or Citation I or II business jet for a fixed monthly cost that includes everything except fuel *(see related item on Page 109)*.

Brian Barents, senior vice president-marketing, told *BA* last Thursday response to the lease program "has been overwhelming . . . the phone has been ringing off the hook." He said Cessna dealers were "very excited" about the program during a briefing last week.

Barents said the first customer under the new program signed an agreement last Wednesday to get a Citation II. The operator, who has been flying a Conquest turboprop, is scheduled to take delivery of the new Citation II in January. Barents also said the company has been pleased by the positive reaction to the lease concept from large corporate flight departments. A Cessna spokesman last Friday said officials anticipate they will have signed up at least four operators for new aircraft under the program by the middle of this week.

THEODORE SCHLEGEL NAMED PRESIDENT OF FALCON JET

Theodore F. (Ted) Schlegel, formerly president of TigerAir Inc., Burbank, Calif., last week was named president and chief executive officer of Falcon Jet Corp., Teterboro, N.J. Schlegel, who has nearly 25 years of aviation management experience, replaces Corwin H. (Corky) Meyer, who abruptly left the company in June following two and one-half years as president *(BA, June 28/202)*. Schlegel, a 1962 graduate of Penn State with a degree in aerospace engineering who also received a master's degree in finance from UCLA in 1968, began his career as a commercial marketing manager for McDonnell Douglas. He later was marketing manager for the western U.S. for Greyhound Leasing and Finance Corp. before moving to TigerAir. Falcon Jet is owned by French manufacturer Avions Marcel Dassault Breguet.

DIFFERING VIEWS EXPRESSED ON EFFECT OF AIRCRAFT FINANCING SUBSIDIES

General Aviation Manufacturers Association and the Regional Airline Association squared off before the International Trade Commission last week in a debate over the effect of below-market financing offered by foreign aircraft manufacturers. While GAMA maintained such financing is doing significant damage to the U.S. industry, commuter operators said their purchases of foreign-built aircraft resulted from the availability and quality of foreign aircraft and not favorable financing.

Last Tuesday's hearing before the ITC was the third time the commission has addressed the issue of financing on foreign-built commuter aircraft in recent weeks. Previous cases initiated by Commuter Aircraft Corp. and Fairchild Industries were dismissed by ITC *(BA, Sept. 27/97)*. The hearing last week resulted from separate requests by the Senate Finance Committee and the White House Office of the U.S. Special Trade Representative.

Ed Stimpson, president of GAMA, told commissioners that foreign manufacturers are offering interest

(Continued on the following page)

AIRPORT AND AIRWAY TRUST FUND
Status as of July 31

		Current Month	Fiscal Year to Date
I.	BALANCE - BEGINNING OF PERIOD	$4,497,089,496.69	$4,718,831,357.71
II.	RECEIPTS:		
A.	Excise Taxes (Transferred from General Fund):		
	1. Any liquid fuel other than gasoline	-0-	-0-
	2. Tires used on aircraft	-0-	-0-
	3. Tubes used on aircraft	-0-	-0-
	4. Gasoline:		
	a. Commercial 4 cents tax	-0-	-0-
	b. Non-commercial 4 cents tax	-0-	-0-
	c. Non-commercial 3 cents tax	-0-	-0-
	5. Transportation by air, seats, berths, etc.	-0-	-0-
	6. Use of international travel facilities	-0-	-0-
	7. Transportation of property and cargo	-0-	-0-
	8. Use of civil aircraft	-0-	-0-
	Total Tax Receipts	-0-	-0-
B.	Less Reimbursement to General Fund-Refund of Taxes and Estimated Tax Credits:		
	1. Commercial avaiation gasoline	-0-	-0-
	2. Non-commercial gasoline	-0-	-0-
	3. Civil aircraft	-0-	765,092.00
	4. Any liquid fuel other than gasoline	-0-	193,733.00
	5. Gasoline - Retailer's tax	-0-	3,534.00
	6. Airline Ticket Refund	-0-	-0-
	7. Gasoline - Manafacturers Tax	-0-	705.00
	Total Reimbursement for Tax Refunds	-0-	963,064.00
	Net Tax Receipts	-0-	(963,064.00)
C.	Federal Payments	-0-	-0-
D.	Transfers from the General Fund	-0-	-0-
E.	Interest on Investments	1,273,596.99	530,954,433.87
	Net Receipts	1,273,596.99	529,991,369.87
III.	EXPENDITURES:		
A.	Federal Aviation Administration:		
	1. Operations	99,999,348.00	352,642,909.57
	2. Grants-in-Aid for Airports	27,794,291.75	253,944,520.23
	3. Facilities and Equipment	29,909,236.60	246,758,572.43
	4. Research, Engineering and Development	6,132,334.76	60,891,243.78
B.	Aviation Advisory Commission-Salaries & Expenses	-0-	-0-
C.	Interest on Refunds of Taxes	-0-	57,599.00
	Total Expenditures	163,835,211.11	914,294,845.01
IV.	BALANCE-END OF PERIOD	4,334,527,882.57	4,334,527,882.57

STATEMENT OF FINANCIAL CONDITION

ASSETS:		
Undisbursed Balances:		
Airport and Airway Trust Fund (20X8103)	$ 843.60	
Operations	7,090.43	
Grants-in-Aid for Airports	1,255,616.48	
Facilities and Equipment	9,257,596.66	
Research, Engineering and Development	606,735.40	
Aviation Advisory Commission-Salaries and Expenses	-0-	$ 11,127,882.57
INVESTMENTS:		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
12-3/8% maturing June 30, 1983	4,320,900,000.00	
12-7/8% maturing June 30, 1983	2,500,000.00	4,323,400,000.00
Total Assets		4,334,527,882.57
LIABILITIES:		-0-
EQUITY:		
Excess Assets over Liabilities		$4,334,527,882.57
Total Liabilities and Equity		4,334,527,882.57

Department of Treasury Chart

Bureau of Government Financial Operations
Division of Financial Management
Trust & Revolving Funds Branch